

JUN 14 2018

## BEFORE THE COCHISE COUNTY GRAND JURY

BISBEE, ARIZONA

COCHISE COUNTY, ARIZONA

THE STATE OF ARIZONA, )  
Plaintiff, ) No. GJ18-0150  
vs. ) No. CR-201800462  
LONNEY MCCOY, )  
Accused. )

OFFICIAL COURT REPORTER'S  
TRANSCRIPT OF PROCEEDINGS

Official Court Reporter's transcript of proceedings had before the Cochise County Grand Jury, in secret session, on the 10th day of May, 2018, in the Cochise County Courthouse, Bisbee, Arizona.

APPEARANCES:

MICHAEL POWELL, Esq.  
Deputy County Attorney

**COPY**

VAN G. HONEMAN, RDR  
OFFICIAL COURT REPORTER  
Cochise County Superior Court  
Bisbee, Arizona  
AZ Certified Reporter #50335

GRAND JURORS PRESENT

TIMOTHY ATWELL  
RALPH BAILEY  
VANESSA L. BURELLI  
EWAN CORDICE (Bailiff)  
MICHAEL P. DENTON  
ROGER HARDER  
ROBERT E. KNOBLOCH (Clerk)  
STEPHEN D. MILLER  
DAVID C. PREMEAUX  
MANUEL G. RIOS  
TRACY M. SHILT (Foreperson)  
RUBY A. STARNES

- - -

## PROCEEDINGS

3 MR. POWELL: All right. This is the  
4 investigation of Lonney McCoy involving alleged offenses  
5 of forgery, fraudulent schemes and artifices, money  
6 laundering in the first degree, and aggravated taking  
7 identity of another person which occurred on or between  
8 March 9, 2017 and March 20, 2017 within Cochise County,  
9 Arizona.

10 To assist you in determining whether or not  
11 probable cause exists in this matter, the following  
12 statutes may be appropriate: 13-2002?

13 GRAND JUROR KNOBLOCH: That one was read  
14 today, everyone was here.

15 MR. POWELL: 2001?

16 GRAND JUROR KNOBLOCH: That was read today,  
17 sections 4, 5, 6, 7, 8, 10 and 12.

18 MR. POWELL: That's fine.

19 105?

20 GRAND JUROR KNOBLOCH: That was read to  
21 everybody on April --

22 MR. POWELL: All right. 13-2310?

23 FOREPERSON SHILT: Could you please repeat  
24 that?

25 MR. POWELL: 13-2310.

1 GRAND JUROR KNOBLOCH: That has not been  
2 read.

3 MR. POWELL: All right. 13-2310,  
4 "Fraudulent schemes and artifices.

13 I'll read subsection E as well. "As used in  
14 this section, 'scheme or artifice to defraud' includes a  
15 scheme or artifice to deprive a person of the intangible  
16 right of honest services."

17 All right. 13-2301?

18 GRAND JUROR KNOBLOCH: That was read today  
19 to everybody, sections B and (D)(4).

20 MR. POWELL: 13-2317?

21 GRAND JUROR KNOBLOCH: That has not been  
22 read.

23 MR. POWELL: I am going to read you a couple  
24 of specific sections here. I am going to read you (A)(1)  
25 to start, money laundering.

7 And then I am going to read to you a couple  
8 of parts of subsection B, I'll read you subsection (B)(1).

16 I'm also going to read you (B)(8), and so  
17 that was (B)(1), this is (B)(8). "In connection with a  
18 transaction with a financial institution or money  
19 transmitter, intentionally or knowingly makes, uses,  
20 offers or presents or attempts to make, use, offer or  
21 present, whether accepted or not, a forged instrument,  
22 a falsely altered or completed written instrument or a  
23 written instrument that contains any materially false  
24 personal identifying information."

25 All right. And let me go back to 2301.

1 I know part of that was read this morning. Maybe I have  
2 got it wrong. No, here we go.

3                   Okay. I am going to read you "financial  
4 institution", which is 2301 (D)(3). "'Financial  
5 institution' means any business under the jurisdiction of  
6 the department of financial institutions or a banking or  
7 securities regulatory agency of the United States,  
8 a business coming within the definition of a bank,  
9 financial agency or financial institution as prescribed by  
10 31 United States Code Section 5312 or 31 Code of Federal  
11 Regulations section 1010.100 or a business under the  
12 jurisdiction of the securities division of the corporation  
13 commission, the state real estate department or the  
14 department of insurance."

15                   And I'm looking it up here so I can give you  
16 one additional statute. Okay. This is going to be under  
17 6-1201, "'Money transmitter' means a person who is located  
18 or doing business in this state, including a check casher  
19 and a foreign money exchanger, and who does any of the  
20 following:

21                   "Sells or issues payment instruments.

22                   "Engages in the business of receiving money  
23 for the transmission of or transmitting money.

24                   "Engages in the business of exchanging  
25 payment instruments or money into any form of money or

1 payment instrument.

2 "Engages in the business of receiving money  
3 for obligors for the purpose of paying that obligor's  
4 bills, invoices or accounts.

5 "Meets the definition of a bank, financial  
6 agency or financial institution as prescribed by 31 United  
7 States Code section 5312 or 31 Code of Federal Regulations  
8 Section 1010.100."

9 GRAND JUROR KNOBLOCH: Would you repeat that  
10 code number again?

11 MR. POWELL: 6-1201. I know it may not be  
12 in your book.

13 GRAND JUROR KNOBLOCH: 6-1201?

14 MR. POWELL: Yes. It's in our banking code,  
15 our financial stuff.

16 Okay. The only other statutes would be  
17 13-2009, which I know we read this morning, and 13-2001,  
18 which also I know we read this morning.

19 Okay. Are there any grand jurors who would  
20 like the statutes re-read or clarified at this time?

21 (No response.)

22 MR. POWELL: All right. I see no hands.

23 To assist you in determining whether or not  
24 the admonitions may apply, the following individuals may  
25 be witnesses in this case: Going to be Detective

1 Papatrefon, Sierra Vista police; David Vlasic;  
2 Amelia Urrea; Vivian Read; Deborah Charbonneau.

3 (No response.)

4 MR. POWELL: I see no hands to any of those  
5 individuals.

6 The witness to testify this afternoon is  
7 going to be Detective Papatrefon.

8 Would the grand jury like me to read off the  
9 counts of the draft indictment prior to the presentation  
10 of evidence?

11 FOREPERSON SHILT: Yes.

12 MR. POWELL: Count One, forgery. On or  
13 about March 20, 2017, Lonney McCoy, with intent to  
14 defraud, offered or presented, whether accepted or not,  
15 a forged instrument or one that contained false  
16 information, all in violation of Arizona law.

17 Count Two, on or about March 20, 2017,  
18 Lonney McCoy, pursuant to a scheme or artifice to defraud,  
19 knowingly obtained a benefit by means of false or  
20 fraudulent pretenses, representations, promises, or  
21 material omissions, all in violation of Arizona law.

22 Count Three, money laundering in the  
23 first degree. On or about March 20, 2017, Lonney McCoy  
24 knowingly initiated, organized, planned, financed,  
25 directed, managed, supervised, or was in the business of

1 money laundering, in violation of ARS Section 13-2317  
2 (B)(8), all in violation of Arizona law.

3 You know, it just occurred to me, on  
4 Counts Three, Five and Seven, this is more for -- well,  
5 in the string citation where it says all in violation of  
6 ARS section, section, section, where it says 2317 (B)(1),  
7 that should probably read (B)(8) and that will apply in  
8 Three, Five and Seven.

9 All right. Count Four, forgery. On or  
10 about March 9, 2017, Lonney McCoy, with intent to defraud,  
11 offered or presented, whether accepted or not, a forged  
12 instrument or one that contained false information,  
13 all in violation of Arizona law.

14 Count Five, money laundering in the first  
15 degree. On or about March 9, 2017, Lonney McCoy knowingly  
16 initiated, organized, planned, financed, directed,  
17 managed, supervised or was in the business of money  
18 laundering, in violation of ARS Section 13-2317 (B)(8),  
19 all in violation of Arizona law.

20 Count Six, forgery. On or about March 13,  
21 2017, Lonney McCoy, with intent to defraud, offered or  
22 presented, whether accepted or not, a forged instrument or  
23 one that contained false information, all in violation of  
24 Arizona law.

25 Count Seven, money laundering in the

1 first degree. On or about March 13, 2017, Lonney McCoy  
2 knowingly initiated, organized, planned, financed,  
3 directed, managed, supervised, or was in the business of  
4 money laundering, in violation of ARS Section 13-2317  
5 (B)(8), all in violation of Arizona law.

6 Count Eight, aggravated taking identity of  
7 another person. On or between March 9, 2017 and March 20,  
8 2017, Lonney McCoy knowingly took, possessed or used  
9 personal identifying information of three or more persons,  
10 including real or fictitious persons, without the consent  
11 of the other persons, with the intent to use the other  
12 persons' identities for any unlawful purpose or to cause  
13 loss to the persons whether or not the persons actually  
14 suffered any economic loss, all in violation of Arizona  
15 law.

16 Shall we get our detective? It's going to  
17 be Detective Papatrefon, it's the guy in the red shirt.

18

19

JOHN PAPATREFON,

20

21

having been first duly sworn, was examined and testified

as follows:

22

EXAMINATION

23 BY MR. POWELL:

24 Q. Good afternoon.

25 A. Good afternoon.

1 Q. Could you please state your name and spell it out  
2 for the court reporter?

3 A. John Andrew Papatrefon, P-A-P-A-T-R-E-F-O-N.

4 Q. And where do you work at?

5 A. The City of Sierra Vista.

6 Q. All right. In what capacity?

7 A. I'm a detective.

8 Q. And as a police detective, are you assigned to  
9 any crimes?

10 A. Yes. I'm property crimes detective.

11 Q. Did -- well, earlier this year, did you have  
12 reason to review bank records for a checking account held  
13 by Lonney McCoy?

14 A. Yes.

15 Q. And as you were reviewing those accounts, did you  
16 find three -- well, did you -- what kind of records did  
17 you get when you were reviewing those accounts?

18 A. I had received a checking account from  
19 Wells Fargo, so I was going over all the checks that had  
20 been deposited into his account.

21 Q. And did you get images of checks that were  
22 deposited into that account?

23 A. Yes, I did.

24 Q. Were there a couple of checks in particular that  
25 caught your attention as possibly being suspicious?

1       A. Yes. There were three checks.

2       Q. Describe those checks.

3       A. Three checks were written out to Lonney McCoy.

4       One was from, on a Discover, like a promotional check you  
5       get from your credit card. The other two were personal  
6       checks from Bank of America.

7       Q. All right. And the Discover Card or Discover  
8       check, who was the account holder for that check?

9       A. His name is David Vlasic, V-L-A-S-I-C.

10       Q. All right. And how much was that check made out  
11       for?

12       A. The check was made out for twelve hundred  
13       dollars.

14       Q. And what was in the memo line?

15       A. It said "companionship".

16       Q. Did you conduct -- well, when was that check --  
17       well, I'll back up.

18                   Did you conduct a follow-up investigation  
19       with David Vlasic?

20       A. I did.

21       Q. All right. And is he a resident of  
22       Cochise County?

23       A. Yes, he is.

24       Q. All right. Did you speak to him in person?

25       A. I did.

1 Q. All right. Did you ask him about the check?

2 A. I did.

3 Q. And did he have any knowledge of it?

4 A. He did not.

5 Q. Did he have any knowledge of who Lonney McCoy  
6 was?

7 A. No, he did not.

8 Q. Was he seeking companionship with Lonney McCoy?

9 A. No. He's a married man and he's never --

10 Q. All right. Were you able to perhaps find out how  
11 it was that Lonney McCoy might have come into possession  
12 of a blank check belonging to David Vlasic?

13 A. The only thing Mr. Vlasic could say was he had a  
14 Discover Card and from time to time he would get  
15 promotional checks and he would throw them in the garbage,  
16 and because he lives out in, I think it's off of Gleeson  
17 Road, if you want to call it the Town of Gleeson, he  
18 takes his garbage and brings it in to Sierra Vista, he  
19 works at Cow Ranch and he deposits the garbage in the  
20 dumpster where he works, so he thinks that maybe somebody  
21 got ahold of his garbage.

22 Q. Did you also have Vlasic provide you with  
23 handwriting samples?

24 A. I did.

25 Q. All right. Did they match the sample or the

1 handwriting that was on the check?

2 A. No, they did not.

3 Q. You mentioned that there were two checks written  
4 out on Bank of America accounts. Was one of them on an  
5 account held by Vivian Read?

6 A. That's correct.

7 Q. All right. And how much was that check for?

8 A. I don't recall. I think it was -- I can look.  
9 I believe it was \$120 or \$180, 180 it was.

10 Q. All right. I am going to show you what's been  
11 marked as Exhibit 1.

12 A. Yes, \$180 from Vivian Read.

13 Q. All right. Do you recognize that exhibit?

14 A. Yes.

15 Q. And what are the three pages that are shown?

16 A. These are the three checks that were in question.  
17 The first one is of the Discover Card and then the second  
18 two are for Bank of America.

19 Q. All right. So going back to the Vivian Reid  
20 check, how much was that for?

21 A. \$180.

22 Q. All right. Did you conduct follow-up  
23 investigation into that check?

24 A. I did.

25 Q. And were you able to speak with Vivian Reid?

1           A. I was not.

2           Q. And why not?

3           A. Ms. Vivian Reid passed away in April of '13,  
4 2013, and the check was written April -- excuse me --  
5 March 9, 2017.

6           Q. Going on to the next check, who was that check,  
7 what account was that written on?

8           A. Ms. Deborah Charbonneau.

9           Q. All right. And for how much?

10          A. \$250.

11          Q. And again, did you conduct any follow-up with  
12 Ms. Charbonneau?

13          A. I did.

14          Q. And what did you learn about Ms. Charbonneau?

15          A. Ms. Charbonneau was also deceased, she passed  
16 away August of 2016.

17          Q. Was McCoy, did he actually deposit the \$1,200  
18 check into his account?

19          A. Yes, he did.

20          Q. And the money actually went into it?

21          A. Yes, it did.

22          Q. All right. Was money -- did he deposit the other  
23 two Bank of America checks?

24          A. Yes, he did.

25          Q. Did the bank successfully put money in there?

1           A. No, they did not.

2           Q. Did everything you described today occur within  
3 Cochise County?

4           A. Yes, it did.

5                            MR. POWELL: Are there any questions of this  
6 witness?

7                            (No response.)

8                            GRAND JUROR KNOBLOCH: I have one question.

9                            What initially started your investigation of this account?

10                          THE WITNESS: The county attorney said  
11 this was another fraudulent case I was working and I had  
12 received the paperwork back on Mr. Lonney McCoy and I was  
13 going through the records. I had put these aside during  
14 my investigation because I was working another part of the  
15 case and then I went back to these and started looking  
16 into these checks that I found suspicious.

17                          GRAND JUROR PREMEAUX: Was the standard  
18 check, was that a -- check or was that a check that needed  
19 to be paid out?

20                          THE WITNESS: No, it was a -- check.

21                          MR. POWELL: Any other questions?

22                          (No response.)

23                          MR. POWELL: All right. May the witness be  
24 excused?

25                          FOREPERSON SHILT: Yes.

1 MR. POWELL: Thank you.

2 (The witness was excused from the room.)

3 MR. POWELL: All right. Before we go  
4 further, I'll just admonish the grand jury, you did hear  
5 Detective Papatrefon talk about the fact that he was  
6 investigating Lonney McCoy for some other things.

7 You are not to consider that when determining whether  
8 there is probable cause as to these three counts.

9 You have to consider this independent, you must disregard  
10 that when making your decision here today.

11 Having said that, are there any questions  
12 for me?

13 (No response.)

14 MR. POWELL: There being no questions --

15 GRAND JUROR ATWELL: There was -- just for  
16 information on this indictment, is the name Lonney McCoy  
17 spelled two different ways on the indictment?

18 MR. POWELL: I suppose the grand jury can  
19 look at the exhibit and determine which way they believe  
20 Mr. McCoy spells his name and go with that.

21 Any other questions?

22 Or alternatively, I can have Detective  
23 Papatrefon come in and indicate how it's spelled, and if  
24 there is a question, we can bring him back in.

25 A GRAND JUROR: I don't feel that's

1 necessary.

2 MR. POWELL: Why don't I let you do that  
3 during deliberations?

4 So I'll put on the record that I've left the  
5 draft indictment for your consideration along with my  
6 statute book.

7 The court reporter and I are leaving the  
8 room.

9 (The grand jury deliberated in secret  
10 session out of the presence of the  
11 deputy county attorney and court reporter.)

12 MR. POWELL: All right. Has the grand jury  
13 reached a decision?

14 FOREPERSON SHILT: Yes, we have.

15 MR. POWELL: And I guess I should ask,  
16 have you made the change on all three copies?

17 FOREPERSON SHILT: I'm doing that right now.

18 So the jury has decided on Count One,  
19 unanimous vote, true bill; Count Two, unanimous vote,  
20 true bill; Count Three, unanimous vote, true bill;  
21 Count Four, unanimous vote, true bill; Count Five,  
22 unanimous vote, true bill; Count Six, unanimous vote,  
23 true bill; Count Seven, unanimous vote, true bill;  
24 Count Eight, unanimous, true bill.

25 MR. POWELL: I'll go ahead and sign.

1                   Thank you.

2                   - - -

3

4                   C E R T I F I C A T E

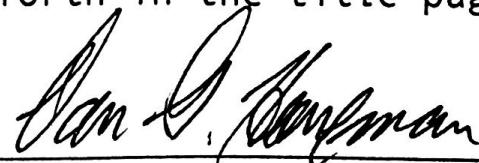
5

6   STATE OF ARIZONA      )  
7   COUNTY OF COCHISE    ) ss.

8

9                   I, Van G. Honeman, do hereby certify that  
10   as an Official Court Reporter for the Cochise County  
11   Grand Jury, I reported the foregoing proceedings to  
12   the best of my skill and ability; and that the same  
13   was transcribed by me via computer-aided transcription;  
14   and that the foregoing pages of typewritten matter are  
15   a true, correct and complete transcript of all the  
16   proceedings had as set forth in the title page hereto.

17



18

19                   VAN G. HONEMAN, RDR  
20                   OFFICIAL COURT REPORTER  
21                   Cochise County Superior Court  
22                   Bisbee, Arizona  
23                   AZ Certified Reporter #50335

22

23

24

25